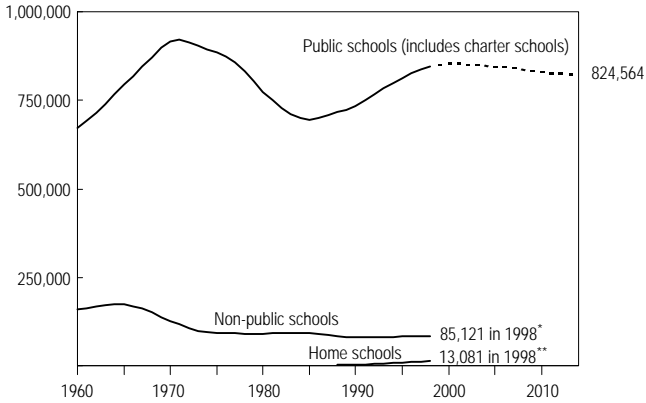


Major Government Functions & Services

K-12 Education	47
Higher Education	54
Family Assistance	57
Corrections	69
Transportation	73
Agriculture	77
Natural Resources	80
Pollution Control	83
Public Facilities Authority	86

K-12 EDUCATION

Student Enrollment (824,564 projected for 2014)



* Enrollment projections for nonpublic schools only available through 1998.

** Home school counts are not available prior to 1988.

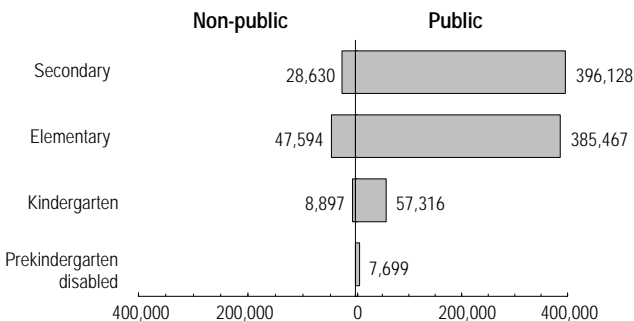
Enrollment Options Programs 1997-98

- 21,737 open enrollment students
- 7,000 post-secondary (PSEO) students
- 7,500 college in high school students

Charter Schools 1998-99

- 37 charter schools in operation
- 5,494 students attending charter schools as of October 1998
- 42 charters granted as of October 1998

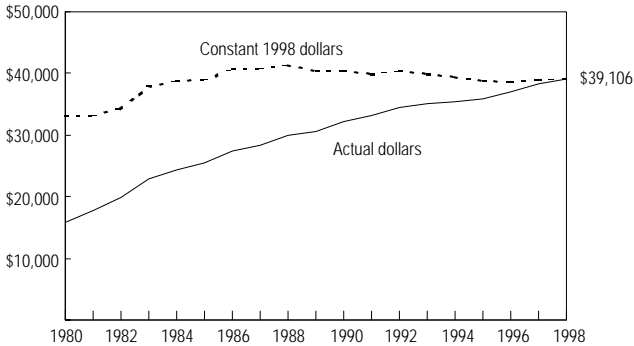
Students by Grade 1997-98



Teacher Characteristics, 1996-97

- 49,900 public school teachers (FTE)
- 52% of teachers are 45 or older
- 22% have advanced degrees
- 51% have taught 15 years or more
- 5,862 non-public school teachers

Average Minnesota Public School Teacher Salary (\$39,106 in 1998)



Source: National Education Association

Teacher Licensure and Qualifications

- State Board of Teaching oversees teacher preparation and licensure.
- Candidates for teacher preparation must pass an exam on math, reading, and writing skills.
- Newly graduated teachers hold provisional two-year licenses.
- Experienced teachers renew continuing licenses every five years after meeting continuing education requirements.
- State Board of Teaching currently is restructuring the licensure system to complement high school graduation standards.

Administrator Licensure and Qualifications

- State Board of Education oversees administrator preparation and licensure and coaches' qualifications (under current law, the board is due to expire December 31, 1999, at which time duties not already transferred will transfer to the Commissioner of Children, Families and Learning).

Minnesota's High School Graduation Rule

In 1992, the Minnesota Legislature directed the State Board of Education to adopt in rule two types of graduation requirements: basic standards tests in reading, math, and writing; and the profile of learning.

Basic Standards Tests

To graduate, public school students must receive a passing score of 75% on the reading and math basic standards tests and three out of a possible four points on the written composition test. A passing score requires students to:

- understand math through pre-algebra
- read at a level equal to popular adult nonfiction
- respond to an adult reader in writing with short answers to two statements or requests for information

Students first take the reading and math basic standards tests in eighth grade and the written composition test in tenth grade.

Statewide Basic Standard Tests

School Year	Percent of 8th grade public school students receiving 75% or higher		Number of 8th grade public school students to be retested	
	Math	Reading	Math	Reading
1997-98	71	68	18,864	20,546
1996-97	70	59	NA	NA
1995-96	69	53	NA	NA

NA: Not available; the reading and math basic standards tests became effective in the 1996-97 school year; a passing score of 70% applied in the 1996-97 school year only

Source: Department of Children, Families and Learning

Students with a passing score on the basic standards tests may not meet the preparation requirements for four-year colleges and universities.

[See House Research publication "State High School Graduation and College Preparation Requirements Compared," October 1998.]

Profile of Learning

The profile of learning contains high academic standards requiring students to expand their knowledge and skills beyond the state's basic reading, math, and writing competencies.

The profile of learning consists of ten broadly defined learning areas:

1. Read, view, and listen
2. Write and speak
3. Literature and the arts
4. Mathematical applications
5. Inquiry
6. Scientific applications
7. People and cultures
8. Decision making
9. Resource management
10. World languages*
(optional for students)

Within each learning area are more specific "preparatory content standards." Students entering ninth grade in 1998 and following years must complete 24 of 47 content standards, of which three are electives. Students are also required to use computer technology for one required content standard in learning areas 2, 4, 5, and 6. Students may complete a standard more than once to improve their score.

Districts may modify the performance requirements for students with disabilities and limited English proficiency.

The state and school districts use the performance scores of K-8 students on the content standards as diagnostic tools.

* Note: The State Board of Education may change world languages from an elective to a requirement. However, a number of Minnesota school districts, which intend to fully implement the profile beginning in the 1998-99 school year, may not have the capacity to offer world languages.

[See House Research publication "Profile of Learning and the State's High School Graduation Rule," September 1998.]

Early Childhood Programs

Early Childhood Family Education (ECFE)

- School districts and tribal schools operate classes to strengthen families.

Way to Grow

- State matching grant program promotes development and school readiness; service levels increase with family need.

Learning Readiness Programs

- School districts operate child development programs to enable children, after a developmental screening, to progress and flourish after entering school.

First Grade Preparedness Pilot

- State aid funds program at qualifying school sites to ensure children have the skills necessary to read and succeed in school.
- Eligibility is based on percent of free and reduced lunch enrollment for four areas (Minneapolis, St. Paul, Twin Cities suburbs, and Greater Minnesota).

Head Start

- Federal program provides early education and health and social services for families in poverty.

Even Start Family Literacy Program

- Money from “federal share” state grants funds five programs that integrate early childhood education and adult literacy or basic education classes.

Interagency Early Intervention (Part C)

- Federally funded comprehensive, coordinated interagency program to provide services to eligible children with disabilities from birth to age two, and their families.

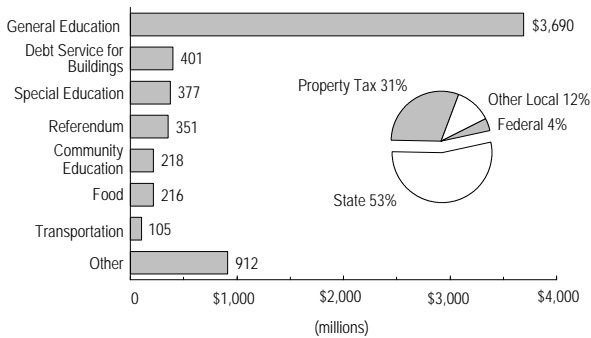
[See House Research publication “Early Childhood Development and Care Programs,” October 1998.]

Funding for Early Childhood Programs

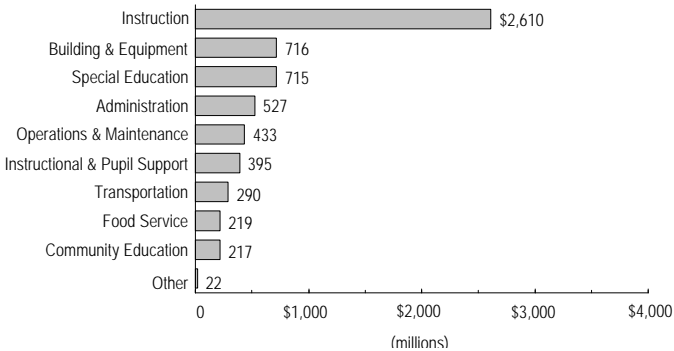
Program (ages eligible)	Funding FY 99 (in millions)	Participants FY 97
ECFE (up to kindergarten)	\$ 14.1 state aid 23.8 property tax	349 school districts 132,896 children 150,663 parents
Way to Grow (up to 6)	0.5 state aid	5 school sites 4,325 children
Learning Readiness (3 ½ to kindergarten)	10.4 state aid	345 school districts 46,884 children 46,494 parents
First Grade Preparedness (4 to 5)	6.5 state aid	55 school sites 316 4-year-olds 2,825 5-year-olds
Head Start (3 to 5)	53.6 federal 19.0 state aid	12,145 children
Part C (up to 2)	5.3 federal 0.4 state aid	2,800 children
Total	\$ 58.9 federal \$ 50.9 state aid \$ 23.8 property tax	

K-12 Revenue and Expenditures

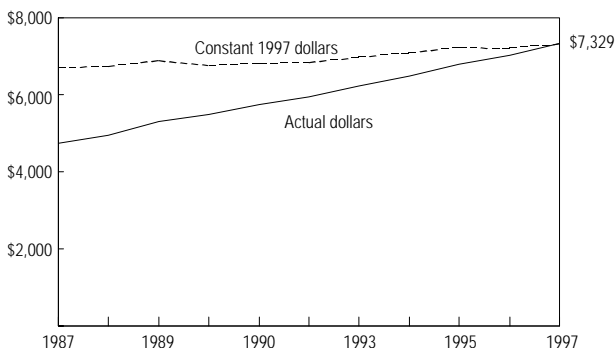
School District Revenue (\$6,270 million in FY 1997)



Public School District Expenditures (\$6,144 million in FY 1997)



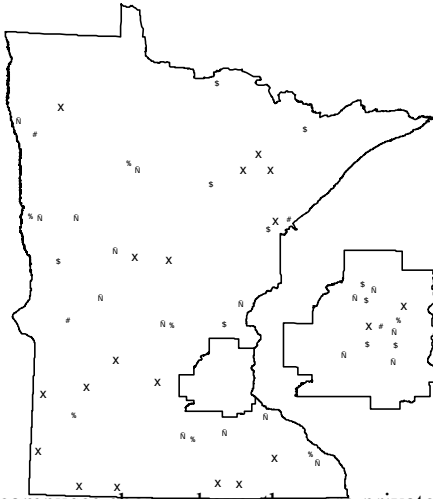
Average Total Expenditures per Public School Pupil (\$7,329 in FY 1997)



Source: Department of Children, Families and Learning
[See House Research publication "Minnesota School Finance,
December 1998.]

HIGHER EDUCATION

- | | |
|---|---------------------------|
| # University of Minnesota (4) | \$ Community College (10) |
| % State University (7) | Ñ Technical College (17) |
| X Consolidated Community/Technical College (19) | |

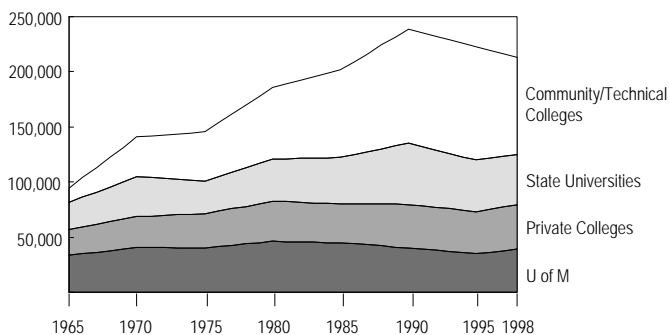


In addition to campuses shown above, there are private liberal arts colleges, religious colleges, private vocational, and private professional schools.

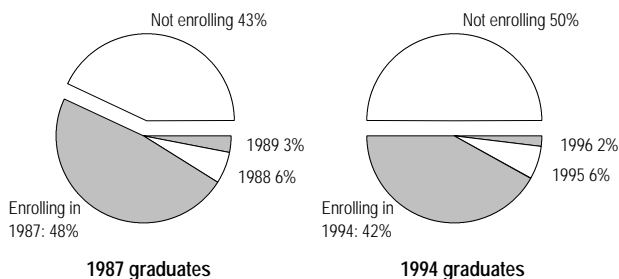
Each public system is under authority of a governing board.

- State universities, community colleges, and technical colleges were merged into one system—the Minnesota State Colleges and Universities (MnSCU)—beginning July 1, 1995, governed by a board appointed by governor. MnSCU consists of 53 campuses. Since the merger, several community colleges and technical colleges that were located in the same communities have consolidated into comprehensive two-year colleges. Some of the smaller, remaining two-year campuses have combined their upper level administrative positions within geographic regions, particularly in the northwestern and southwestern parts of the state.
- The University of Minnesota is a separate system, governed by the legislatively elected Board of Regents. The university has four campuses—Crookston, Duluth, Morris, and the Twin Cities. It also has several experiment stations and research sites that are not displayed on the map. [*See House Research publication “Election of Regents to the University of Minnesota,” November 1996.*]

Changes in Undergraduate Headcount by Sector



Percentage of Minnesota High School Graduates Enrolling at a MN Campus Within Three Years* 1987 and 1994



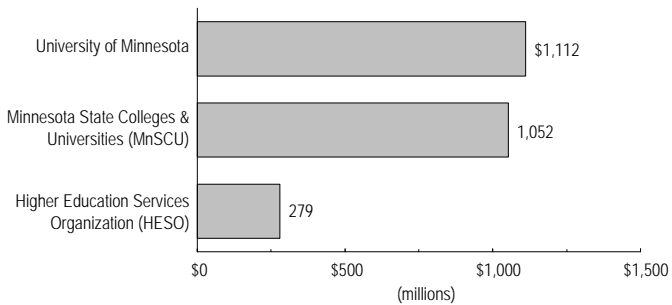
*Of those not enrolling, 12% to 14% enrolled at a campus in another state.

Top MN Colleges for New High School Graduates and States of Origin (Graduating class of 1996)

MN HS Grads		Out-of-State HS Grads	
U of M, Twin Cities	2,161	U of M, Twin Cities	993
St. Cloud State	1,375	Winona State U	588
U of M, Duluth	1,322	St. Olaf	381
Mankato State U	1,191	Moorhead State U	372
St. Thomas	777	Macalester	349
Top states sending high school grads to Minnesota colleges			
Wisconsin	2,509	South Dakota	448
North Dakota	784	Iowa	371
Illinois	497	Montana	139

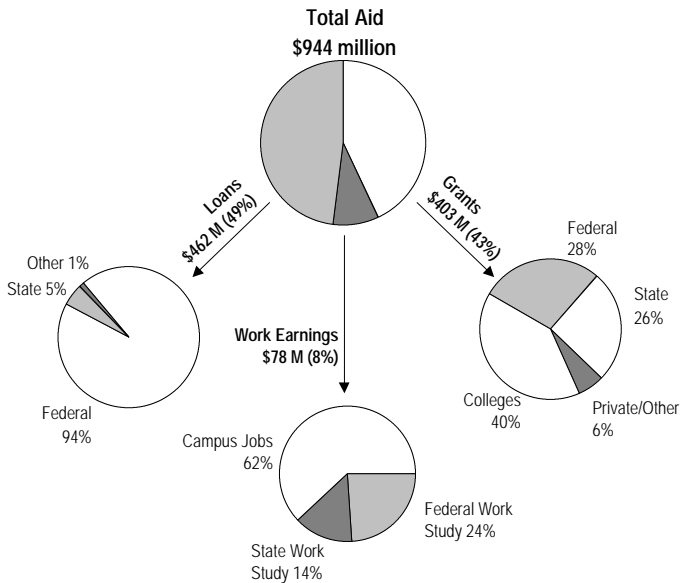
[See House Research publications “Higher Education Enrollments: Current Conditions and Recent Trends,” January 1998 and “Participation of New High School Graduates in Higher Education,” December 1998.]

State Higher Education Appropriations (\$2,445 million in FY 1996 and 1997)



Note: In FY 1996-97, Mayo received \$2.4 million, or 0.1% of higher education appropriations.

Type and Source of Financial Aid Received by Minnesota Students (\$944 million in FY 1997)



Tuition and Fees

Full-time, Minnesota Resident* 1998-99 Academic Year

	Undergrad	Graduate	Professional
Comm/Tech Coll.	\$2,145-2,341	—	—
State Universities	\$2,689-3,017	\$3,221-3,594	—
University of MN	\$4,272-5,025	\$5,420-9,216	\$6,084-13,300

*Nonresident rates are generally two to three times higher than resident rates.

FAMILY ASSISTANCE

The principal assistance programs funded by the state for low-income families are:

Medical Assistance	MA
MinnesotaCare	MNCare
General Assistance Medical Care	GAMC
Minnesota Family Investment Program-Statewide	MFIP-S
Group Residential Housing	GRH
General Assistance	GA
Minnesota Supplemental Aid	MSA
Child Care Assistance	
State Housing Assistance	

Other assistance programs are funded entirely by the federal government:

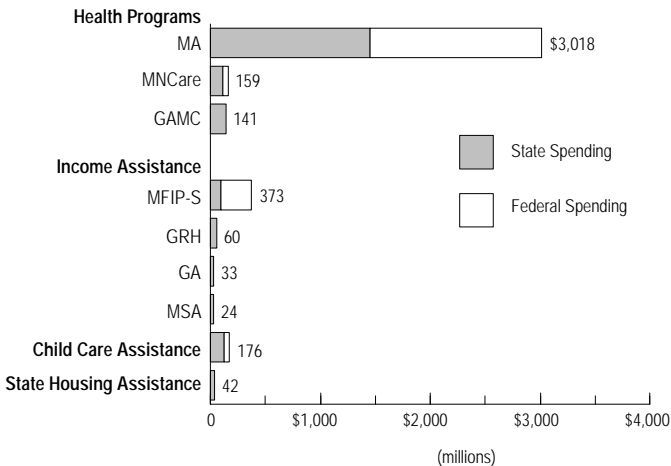
HUD Rental Housing Assistance	
Food Stamps	FS
Supplemental Security Income	SSI

Note: The FY 1999 projections listed in this section are from the Department of Human Services, November 1998 forecasts of family self-sufficiency and medical programs. Other data are from DHS, DCFL, MHFA, and other sources.

Funding and Administration

- **MA, GAMC, MFIP-S, GA, MSA, GRH, and Food Stamps** are administered by the counties under the supervision of the state Department of Human Services (DHS).
- **MA** and **MFIP-S** are funded jointly by the federal and state governments.
- **GAMC, GA, MSA, and GRH** are state financed.
- **MNCare** is administered directly by DHS and is mainly state financed, with some federal funding.
- **Child Care Assistance** is administered by the counties under the supervision of the state Department of Children, Families and Learning (DCFL) and receives state and federal funding.
- **State Housing Assistance** is administered primarily by the Minnesota Housing Finance Agency (MHFA) and is state financed.
- **HUD Rental Housing Assistance** is administered by the HUD Minneapolis office, MHFA, and local agencies and is federally financed.
- **Food Stamps** and **SSI** are federally financed.
- **SSI** is administered by the federal Social Security Administration.

Family Assistance State and Federal Spending* (\$4,027 million in FY 1999)



* Excludes HUD Rental Housing Assistance, SSI, and Food Stamps programs.

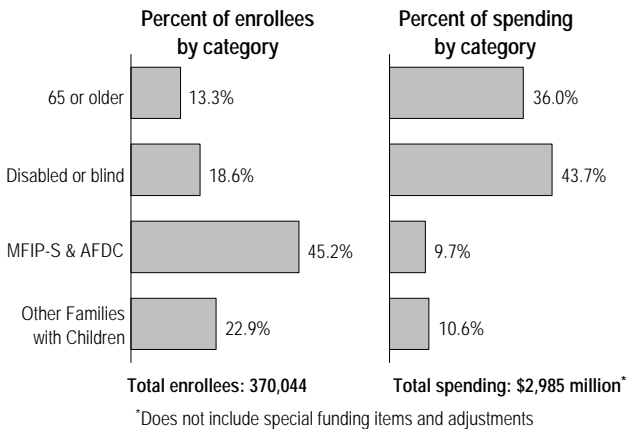
Medical Assistance (MA)

- Federal-state Medicaid program pays for certain health care services for eligible individuals with income and assets below limits set by state legislature and federal government.
- Eligible persons are MFIP-S-eligible families; needy children in foster care; certain aged, blind, or disabled persons; pregnant women; and certain other low-income children and adults.
- Under federal law, every state must provide certain MA services; Minnesota provides many other services that are optional.
- As of June 1998, 45% of MA recipients received services through an HMO or other prepaid health plan.

Children's Health Insurance Program (CHIP)

- Federal-state program provides enhanced federal funding for MA coverage for children under age two with family incomes greater than 275% but less than or equal to 280% of the federal poverty guidelines.
- DHS is required to submit to the 1999 Legislature a plan to use CHIP funding to subsidize health insurance coverage for families who are ineligible for MinnesotaCare due to the availability of employer-subsidized insurance.

Medical Assistance Projected Enrollees and Spending, FY 1999



Persons 65 and older are 13% of MA eligibles and account for 36% of MA expenditures in FY 99.

MinnesotaCare (MNCare)

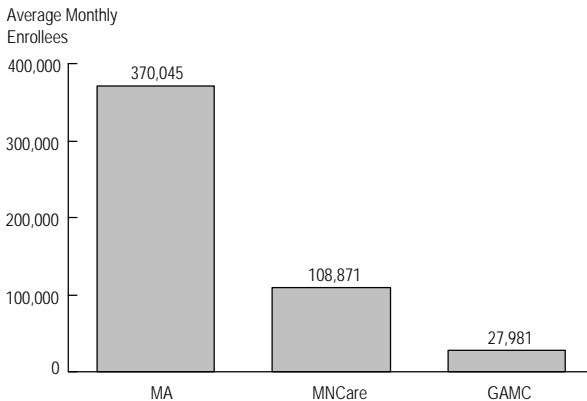
- State program established by 1992 MinnesotaCare Act provides subsidized health coverage for low-income children, families, and single adults through prepaid health plans.
- Enrollees' premiums are based on a sliding scale. Children with very low incomes are charged a reduced premium.
- All enrollees must meet program income limits and be permanent Minnesota residents. Most enrollees must also meet requirements related to lack of health insurance.
- Estimated state cost for FY 1999 is \$113 million. Enrollees are expected to pay \$24 million in premiums, and federal funding of \$46 million is expected.
- Premium subsidy funding comes from a 2% tax on gross revenues of health care providers (1.5% for CY 1998 and 1999) and a 1% premium tax on nonprofit health plans (waived for CY 1998 and 1999 if cost containment goals are met). For CY 2000 and beyond, provider tax will be reinstated at 2% and health plan tax will be reinstated in increments, if there is a structural deficit in MNCare funding.

[See House Research publication "The MinnesotaCare Program," September 1998.]

General Assistance Medical Care (GAMC)

- State program pays for certain health services for persons with income and assets below limits set by state legislature and who are not eligible for MA or other medical programs.
- State legislature determines list of covered services.
- As of June 1998, 46% of GAMC recipients receive services through an HMO or other prepaid health plan.
- GA recipients are automatically eligible for GAMC.

Projected Health Care Enrollees (506,897 in FY 1999)



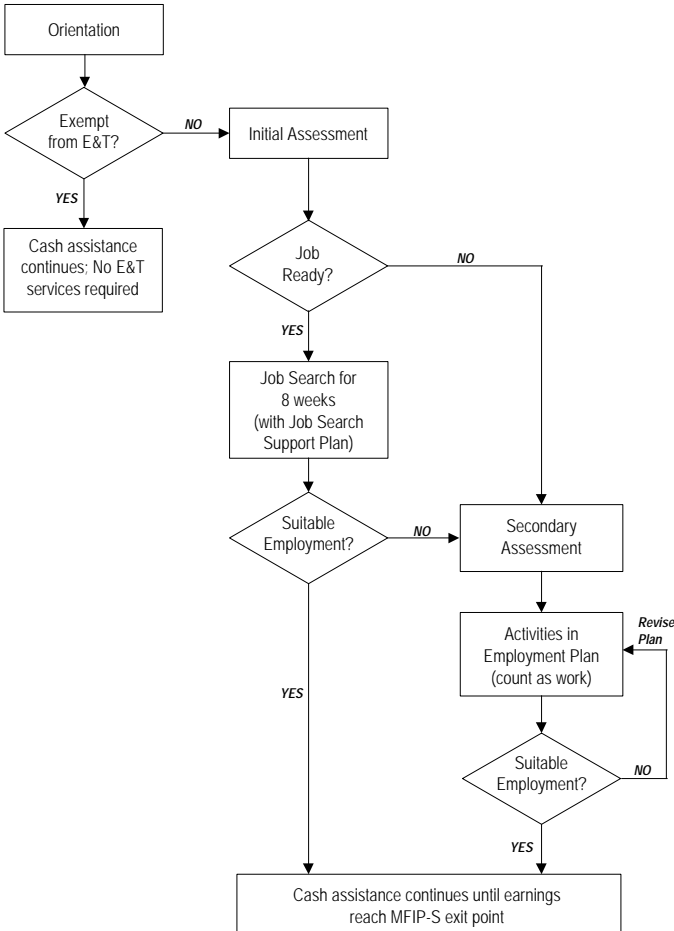
Minnesota Family Investment Program-Statewide (MFIP-S)

- State program begun in January 1998 that replaces the Aid to Families with Dependent Children (AFDC) entitlement program
- MFIP-S provides cash assistance and employment and training services to eligible families with children. For new applicants, benefits are vendor paid for the first six months.
- MFIP-S is provided for no more than 60 months. The first families will reach this time limit in July 2002.
- Eligible families must be citizens or qualified noncitizens; have income and assets below limits set by the legislature; and include at least one minor child or pregnant woman and the child's parents or stepparents.
- MFIP-S caregivers are expected to meet hourly work requirements. Supports to make work possible (including child care assistance) and sanctions for noncompliance are features of the program.
- MFIP-S is funded by the federal Temporary Assistance for Needy Families (TANF) block grant and by state appropriations.
- Legislature sets benefit level, which includes cash and food assistance portions. Benefits vary by family size; a family with one adult and one child receives up to \$626 per month. The food portion is adjusted each October 1 to reflect cost-of-living adjustments in the federal Food Stamp program.

[See House Research publication "MFIP-Statewide Grants: Calculation and Benefits," January 1999.]

MFIP-S Employment and Training Services for a Typical Recipient

- Two-parent MFIP-S families must begin employment and training (E&T) immediately.
- Single-parent MFIP-S families must begin E&T within six months; exact timing varies by county.



Group Residential Housing (GRH)

- State program assists in housing certain MSA and GA recipients who live in group residences such as adult foster homes and residential care homes.
- Approximately 85% of GRH recipients are MSA eligible, and 15% are GA eligible.

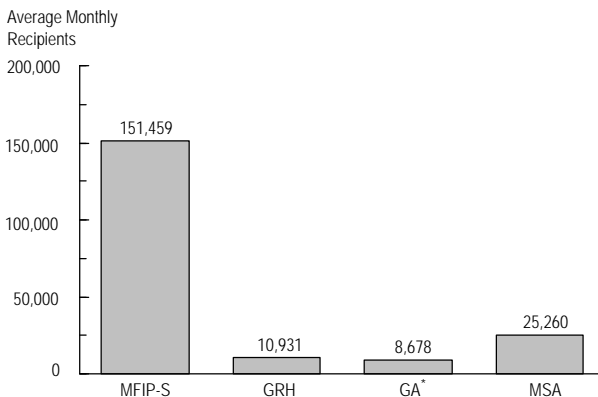
General Assistance (GA)

- State program provides cash assistance to disabled or unemployable persons ineligible for MSA or SSI.
- GA recipients are single adults or childless couples. A single GA recipient receives up to \$203 per month. GA-eligible persons living in group residential housing facilities receive a small monthly personal needs allowance.
- GA recipients are also eligible for GAMC.

Minnesota Supplemental Aid (MSA)

- State program provides supplemental cash assistance to needy aged, blind, and disabled persons who are SSI recipients or who would qualify for SSI except for excess income.
- Amount of monthly benefit varies with housing arrangement. A nursing home resident receives a small monthly personal needs allowance; a recipient living at home receives a larger grant for shelter and basic needs.
- MSA recipients automatically receive MA.

FY 1999 Income Assistance Projections for MFIP-S, GRH, GA, MSA



*Data for GA is available by cases only, not by number of individual recipients.

Child Care Assistance Programs

Federal, state, and county funds subsidize child care costs for eligible families with:

- incomes at or below 75% of state median income
- children under 13 years old (age 15 for children with disabilities)

Families with incomes above 75% of the federal poverty guidelines must pay a copayment. *[See House Research publication "Minnesota Child Care Assistance Programs," January 1997.]*

Basic Sliding Fee (BSF) Program for Working Families

- assistance is limited by funding
- waiting lists exist in some counties
- priority is given to minor parents without a GED or diploma, families completing the MFIP-S transition year, and families receiving assistance from the portability pool

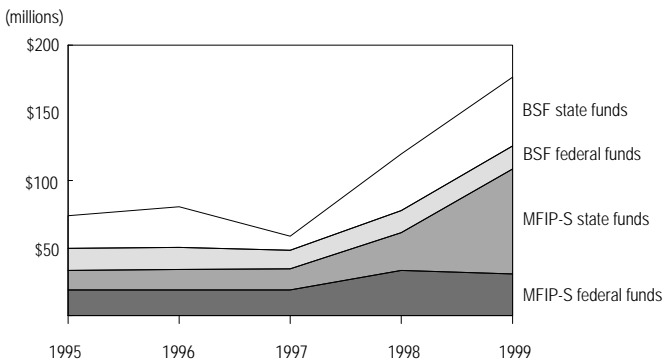
MFIP-S Child Care

- eligible MFIP-S families, including families that forego the cash portion of the MFIP-S grant
- assistance provided for activities in an approved individual plan (job search support or employment plan) and for employment
- assistance is fully funded, no waiting lists for assistance

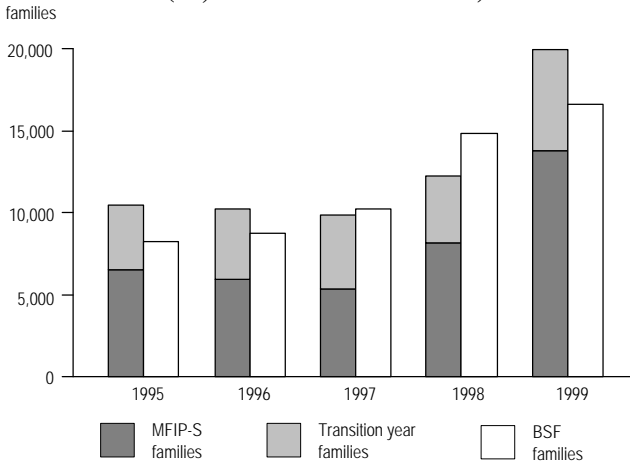
Transition Year Child Care

- provides 12 months of child care assistance for former MFIP-S families who received assistance for three of the previous six months

Child Care Assistance Funding (\$129 million state; \$47 million federal in FY 1999)



Child Care Assistance (36,578 families in FY 1999)



Assistance may be provided for care by:

- Licensed family child care providers
- Licensed child care centers
- Legal nonlicensed care givers including school district programs, and registered care givers who are related or unrelated adults

Child Care Assistance Profile

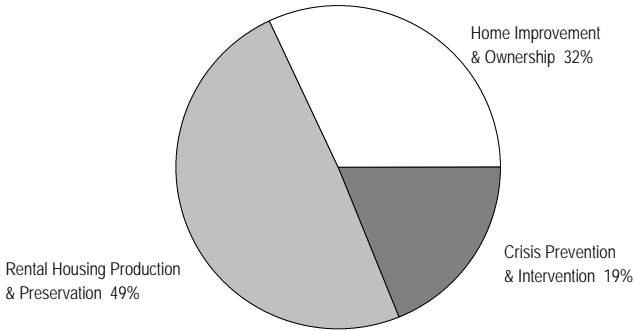
Type of Care	BSF	MFIP-S
Quarter ending 12/31/97	(% of children)*	
Registered provider in		
Child's home	10%	6%
Provider's home	25%	23%
Nonlicensed program	5%	4%
Licensed family day care home	37%	27%
Licensed child care center	30%	43%
Total children	21,703	12,344
Average Family (FY1997)		
Average children per family	1.7	1.6
Average cost per family	\$3,877	\$4,107

Source: Department of Children, Families and Learning

* Percentages do not add to 100% due to the use of more than one type of care per child.

State Housing Assistance

MHFA Funding for Housing Assistance (\$41.7 million state appropriation in FY 1999, of which \$4.9 million is one-time)



Note: This does not include capital funding for housing or housing-related appropriations to other state agencies.

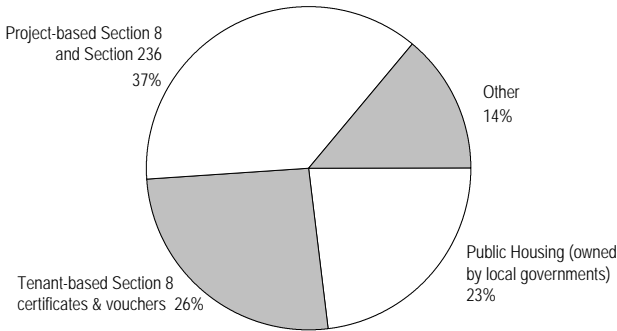
State appropriations to the MHFA are about 10% of the agency's total budget. (The rest is from mortgage revenue bond issues, federal funding, and other services.) MHFA activities include:

- **Home Improvement and Ownership.** Helps low- and moderate-income families buy or repair their homes and helps communities develop single-family housing.
- **Rental Housing Production and Preservation.** Provides loans to encourage production of multifamily housing for low- and moderate-income families and gives incentives to owners to keep affordable multifamily housing in federal subsidy programs.
- **Crisis Prevention and Intervention.** Provides temporary rent subsidies ("Bridges"), funds services to prevent foreclosure or eviction due to temporary financial crisis, and to prevent homelessness or help move families from shelters to transitional or permanent housing.

HUD Rental Housing Assistance

- HUD Rental Housing Assistance is for persons with incomes up to 50%, or in some cases 80%, of the area median income, adjusted for family size. (See page 11 for the median incomes in Minnesota.)
- Tenant generally pays 30% of his or her income for rent, and HUD pays the difference up to the actual or fair market rent for the unit.
- HUD sets fair market rents (FMRs) each year by metropolitan area and by county outside metropolitan areas. FMRs are adjusted for the number of bedrooms. FMRs range from a low of \$265 for an efficiency in a nonmetropolitan county to a high of \$1020 for a four-bedroom unit in the Twin Cities metropolitan area.

HUD subsidized rental housing units in MN (95,033 units in federal FY98)



Note: "Other" includes tax credits, Indian housing, and other FHA programs.

Profile of HUD Rental Housing Assistance, Federal FY 98

Average rent paid by tenant:	\$221/month
Average subsidy/unit:	\$307/month
Average size of assisted household:	2 persons

This page covers only direct subsidies for rental housing assistance from HUD. It does not include rent assistance from the Rural Housing Service of the U.S. Dept. of Agriculture, or programs that promote or subsidize home ownership (the mortgage interest deduction or mortgage loan programs) or that are intended to promote production of affordable rental housing (the low-income housing tax credit).

Other Federal Assistance

Food Stamps (FS)

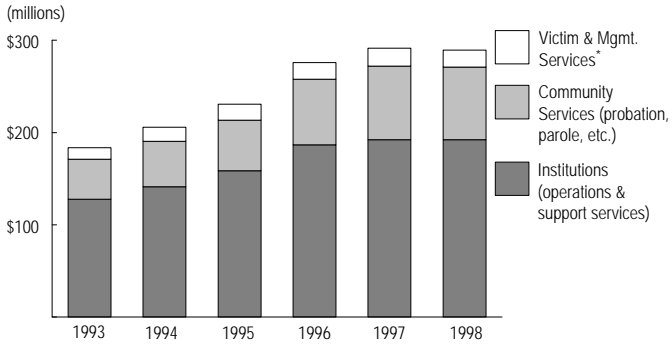
- Federal USDA program providing food purchasing assistance to low-income households.
- Eligible households must be citizens or qualified noncitizens; have assets and gross income below specified limits; and have net monthly income at or below the federal poverty guidelines.
- Most able-bodied adults must meet work requirements.
- Federal government sets benefit levels. Effective October 1998, benefits are provided in electronic debit card (EBT) format, eliminating the traditional paper food stamp coupons.
- In FY 1998, an average of 98,979 Minnesota households received food stamp benefits each month. These benefits were worth a total of \$171.2 million.

Supplemental Security Income (SSI)

- Federal program providing cash assistance to needy aged, blind, and disabled persons
- Eligible persons must be citizens or noncitizens meeting certain criteria; have assets and income below federal limits; and be 65 or older or meet program criteria for blindness or disability.
- Amount of monthly benefit varies with housing arrangement.
- Some SSI recipients also receive a state supplement to their SSI grant through the state MSA program. Most SSI recipients are eligible for MA.
- In December 1997, an average of 62,621 Minnesotans received SSI. For the entire 1997 calendar year, \$252 million in federal SSI benefits were paid to Minnesota recipients.

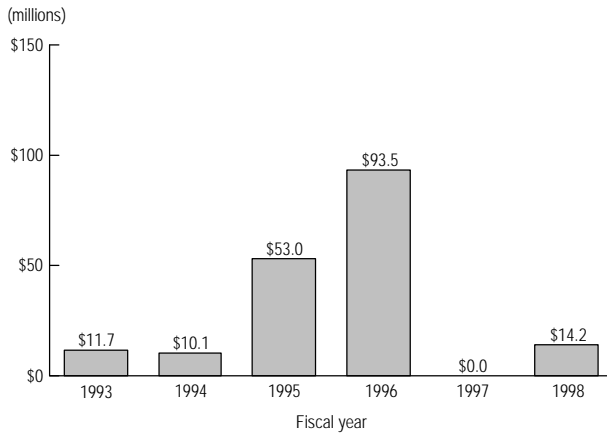
CORRECTIONS

Department of Corrections Expenditures (\$289 million in FY 1998)

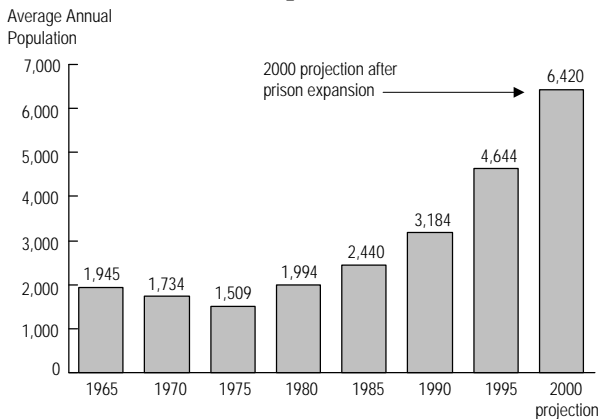


*Victim services, including grant administration, was transferred from DOC to the Center for Crime Victim Services effective FY 1999.

Department of Corrections Bonding Authority (\$14.2 million in FY 1998)



Adult Prison Population, 1965-2000



Expansions to the Prison System

Approximately 400 beds added systemwide from July 1996 to October 1998. Planned by 2000:

- 950-bed close-custody facility at Rush City (\$89 million bonding)
- 62-bed living unit at Shakopee (\$4.6 million bonding)
- 160-bed segregation unit at Lino Lakes (\$7.6 million federal funding, \$0.3 million bonding; net gain of 50 beds)

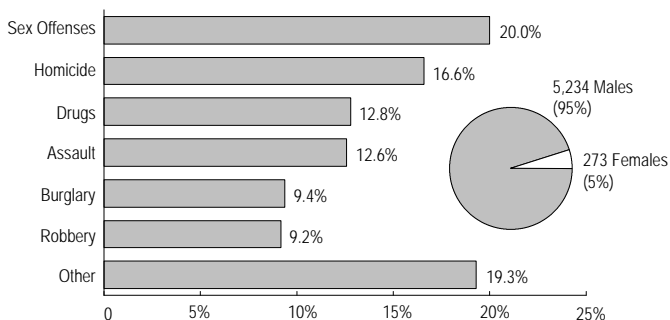
Level-of-Custody Definitions

Level 6 (Max. security)	Oak Park Heights	single cells secure perimeter
Level 5 (Close-custody)	St. Cloud Stillwater	single cells secure perimeter
Level 4 (Close-custody)	Rush City	double cells secure perimeter
Level 3 (Med. security)	Faribault Lino Lakes Moose Lake	double cells and multiple occupancy secure perimeter
Level 2 (Min. security)	Faribault MSU*	multiple occupancy fence
Level 1 (Min. security)	Red Wing Willow River CIP** Lino Lakes MSU* Stillwater MSU*	multiple occupancy no fence

*MSU stands for minimum security unit.

**CIP stands for Challenge Incarceration Program, commonly called "boot camp."

Adult Prison Population by Offense and Gender (5,507 as of July 1, 1998)



Adult Prison Population by Facility and Cost 1998

Facility	Number*	Percent	Per Diem*	Annual*
Faribault	937	17.0%	\$79	\$28,835
Lino Lakes	1,003	18.2	80	29,200
Oak Park Heights	399	7.2	120	43,800
Red Wing**	32	0.6	138	50,370
St. Cloud	749	13.6	87	31,755
Shakopee***	266	4.8	116	42,340
Stillwater	1,283	23.3	70	25,500
Contract facilities	70	1.3	55	20,075
Moose Lake/ Willow River	768	13.9	****	
Total - Males	5,234	95.0%	\$82	\$29,930
Total - Females	273	5.0%	\$116	\$42,340

* Population as of July 1, 1998; costs are on a per-prisoner basis for FY 1998.

** Cost calculated using only adult population of Red Wing.

*** Shakopee is a women's facility.

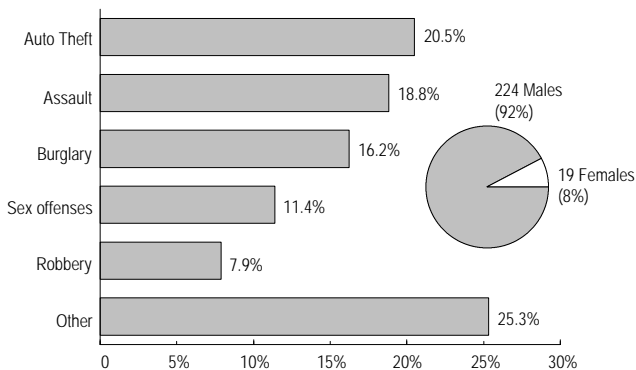
**** Per diem costs are \$81 at Moose Lake, \$102 at the Challenge Incarceration program (CIP) for males and \$92 at the CIP for females.

Adults under Community Supervision (92,968 as of December 31, 1997)

Type of Supervision	By State (DOC*)	By County (CCA/CPO*)	Total
Probation	11,465	79,242	90,707
Supervised Release	339	1,490	1,829
Parole	70	219	289
Intensive Supervision	27	116	143
Total	11,901	81,067	92,968

* DOC stands for Department of Corrections; CCA for Community Corrections Act; CPO for county probation officer.

**Juvenile State Correctional Facility Population
by Offense and Gender
(243 as of July 1, 1998)**



**Juvenile Correctional Facility Population
by Facility and Cost**

Facility	Number on 7/1/98	Percent	Per Diem FY 98	Annual Cost FY 98
Red Wing	159	65.4	\$159*	\$58,035
Sauk Centre	84	34.6	185	67,525
Total	243	100	168	\$61,315

* Cost calculated using only juvenile population of Red Wing.

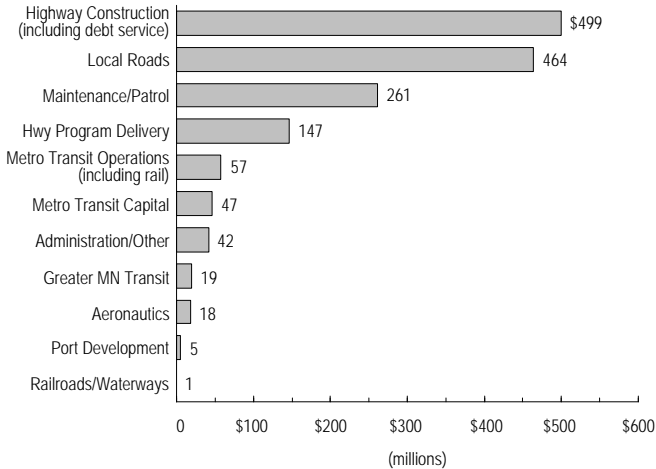
**Juveniles under Community Supervision
(17,442 as of December 31, 1997)**

Type of Supervision	By State (DOC*)	By County (CCA/CPO*)	Total
Probation	1,941	15,241	17,182
Parole	136	124	260
Total	2,077	15,365	17,442

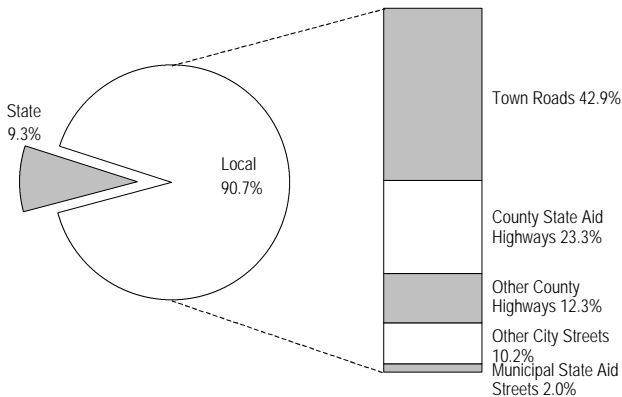
* DOC stands for Department of Corrections; CCA for Community Corrections Act; CPO for county probation officer.

TRANSPORTATION

Transportation Spending (\$1,560 million state and federal in FY 1999)



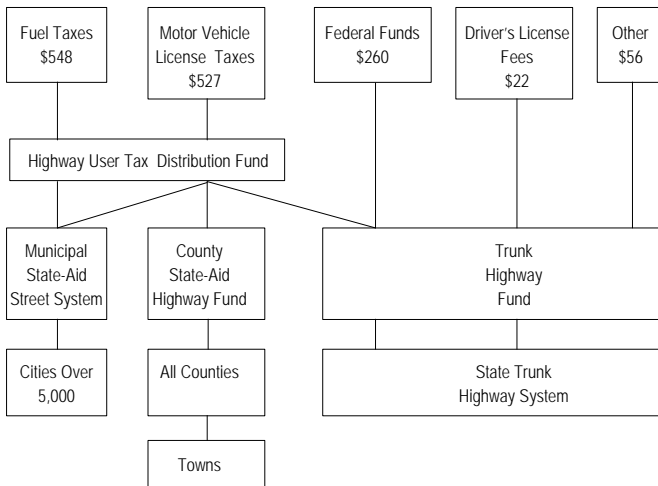
Minnesota Highway Mileage



Source: Department of Transportation

Most of Minnesota's 130,000 miles of public highways are local.

Sources and Disposition of Highway Funds (\$1,413 million in FY 1999)



Source: Department of Transportation.

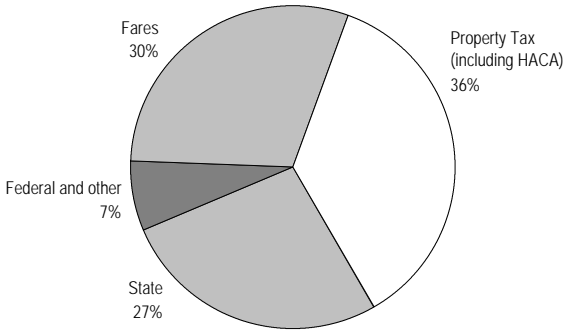
The constitution and state law dedicate about 60% of highway user taxes to the state, 31% to counties and towns, and 9% to cities over 5,000.

[See House Research publication "Minnesota Highway Financing," May 1999.]

Metropolitan Area Transit Systems

The state provided approximately \$55 million for metropolitan transit operations in calendar year 1999.

Metropolitan Area Transit Planning and Operations Funding Sources (\$202.4 million in CY 1999)

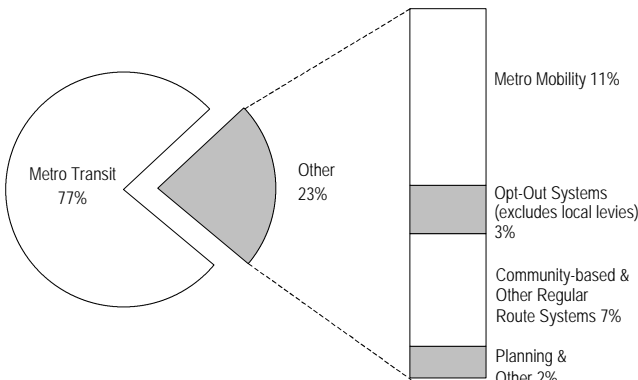


Source: Metropolitan Council, draft 1999 Unified Budget

In CY 1996, Metro Transit provided about 92% of all transit trips in the metropolitan area. (Total trips were about 67 million.)

Source: Department of Transportation 1997 Transit Report

Metropolitan Area Transit Planning and Operations Expenditures (\$201.8 million in CY 1999)



Source: Metropolitan Council, draft 1999 Unified Budget

Greater Minnesota Transit Systems
(\$19.5 million State and Federal in FY 1999)

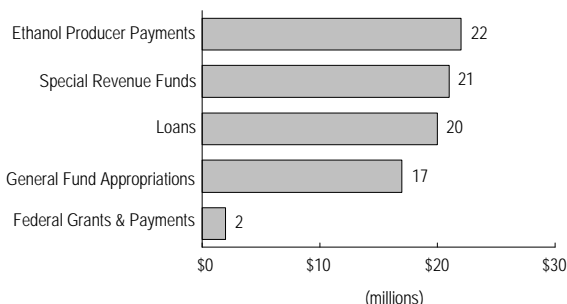
The Greater Minnesota transit program supports approximately 74 transit systems in Greater Minnesota, ranging from small rural systems to Duluth. A legislative formula determines the maximum percentage of a system's total operating cost, which must be paid locally from a combination of farebox revenue and local tax subsidies:

Type of system	Maximum local share of total costs
Large urbanized (Duluth)	55%
Urbanized area systems	40%
Small urban systems	40%
Rural systems	35%
Elderly/disabled systems	35%

The rest, except for federal funds, is paid by the state. In FY 1999, the state portion is \$14.3 million, excluding capital funding.

AGRICULTURE

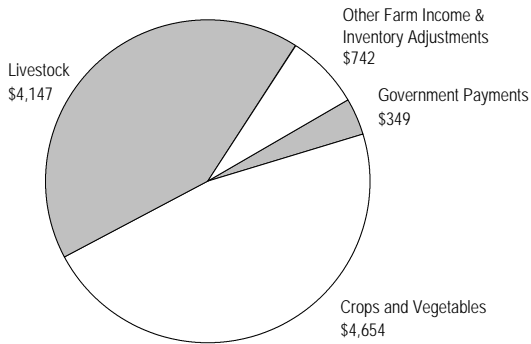
Department of Agriculture Budget (\$82 million in FY 1998)



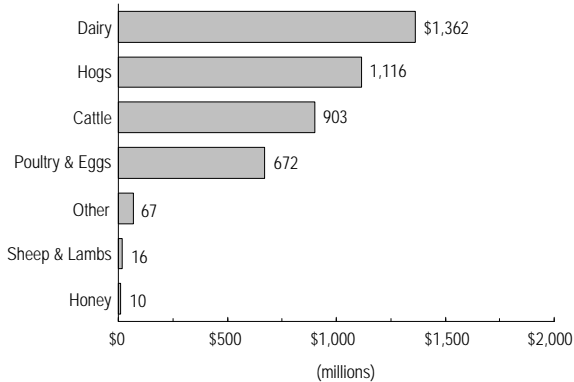
Farm Facts

- 29.8 million acres of land in Minnesota (about 59%) is agricultural.
- There were 87,000 farms in 1997:
 - 33,000 with farm product sales of less than \$10,000
 - 23,000 with farm product sales exceeding \$100,000
 - 36,000 with cattle
 - 10,800 with hogs
 - 3,000 with sheep
- The average farm size in 1997 was 343 acres.
- 1998 livestock inventory was valued at \$2,142.8 million:
 - \$1,638 million in cattle and calves
 - \$459 million in hogs and pigs
 - \$28 million in chickens
 - \$18 million in sheep and lambs
- The average value of farmland (including buildings) was \$1,100 per acre in 1998.
- Average per-farm value of real estate, livestock, and personal property in 1996 was \$456,700.
- Average 1996 net farm income was \$25,780, plus \$4,009 in government payments.

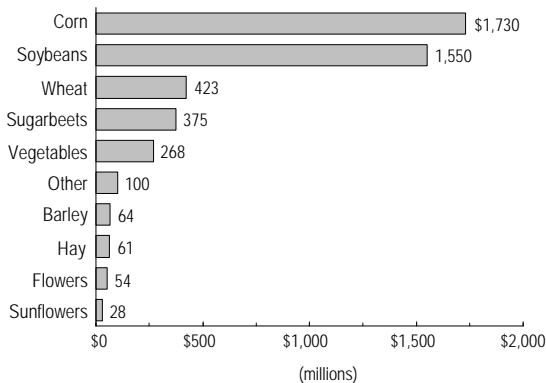
Gross Farm Income (\$9,891 million in 1996)



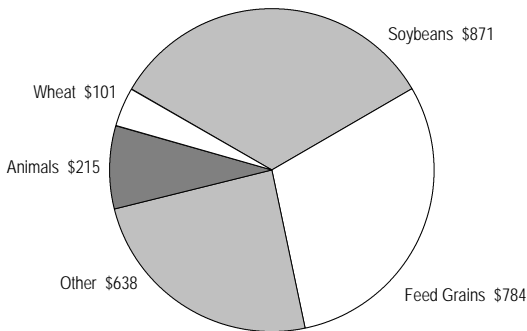
Cash Receipts from Livestock (\$4,147 million in 1996)



Cash Receipts from Crops and Vegetables (\$4,654 million in 1996)



Minnesota Agricultural Exports (\$2,609 million in 1997)



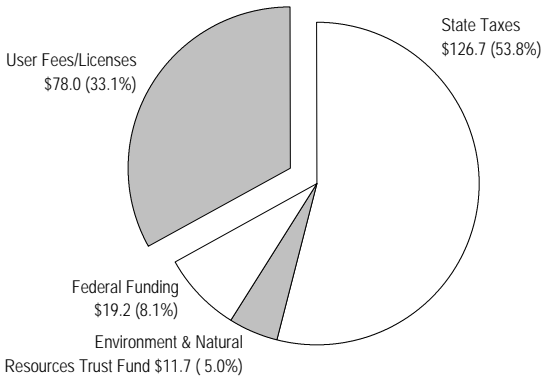
Economic Impact of Minnesota Agriculture

- Minnesota's agricultural production and processing infrastructure accounts for 17% of the state's Gross State Product.
- Each Minnesota farmer feeds 94 Americans and 34 people in other countries.
- Agriculture and the food industry account for 22% of all employment in Minnesota.
- \$2.61 billion in farm products were exported in 1997, ranking Minnesota seventh among the states in agriculture exports.
- In 1997, hired farm laborers earned an average wage of \$8.45 per hour.
- Minnesota is a major player among the states in several areas of production:
 - **First** in sugarbeets, sweet corn, and green peas
 - **Second** in wild rice, turkeys, and American cheese
 - **Third** in soybeans, spring wheat, oats, flax, hogs, total cheese, and mink pelts
 - **Fourth** in corn, sunflowers, and ice cream
 - **Fifth** in barley, dry edible beans, rye, milk cows, milk production, and butter

Principal Data Source: Minnesota Agricultural Statistics 1998

NATURAL RESOURCES

DNR Revenue by Source (\$236 million in FY 1998)

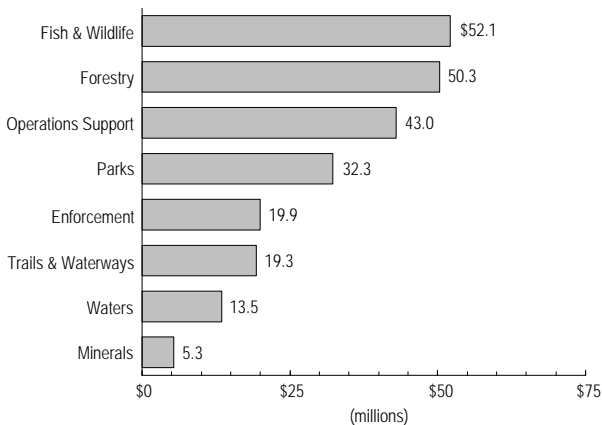


Note: The \$11.7 million in funding from the Environmental & Natural Resources Trust Fund in FY 1998 was at the recommendation of the Legislative Commission on Minnesota Resources (LCMR)

Source: Department of Natural Resources

The Department of Natural Resources (DNR) budget is about 1.2% of the total general fund. On a per capita basis, DNR revenue sources amount to about \$50 per state resident.

DNR Expenditures by Program (\$236 million in FY 1998)



Natural Resources Facts

Minnesota has

- 5,300,000 acres of DNR land, about 10% of Minnesota's land area
- 4,907,898 acres of lakes
- 7,500,000 acres of wetlands
- 92,000 miles of rivers and streams
- 2,744 permanent, temporary, and seasonal DNR employees, about 5% of total state employment

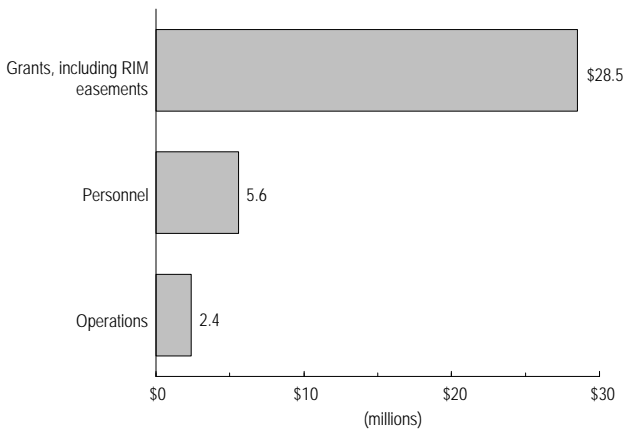
Minnesota ranks first nationally in the number of

- Fishing licenses per capita (1,534,000 licenses)
- Recreational boats per capita (768,900 boats)

Board of Water and Soil Resources (BOWSR)

The mission of BOWSR is to help local units of government manage and conserve their soil and water resources. This is accomplished by providing financial, technical, and administrative assistance to local units. There are 17 board members of BOWSR and 63 staff in seven field offices around the state.

BOWSR Budget (\$36.5 million in FY 1998-99)

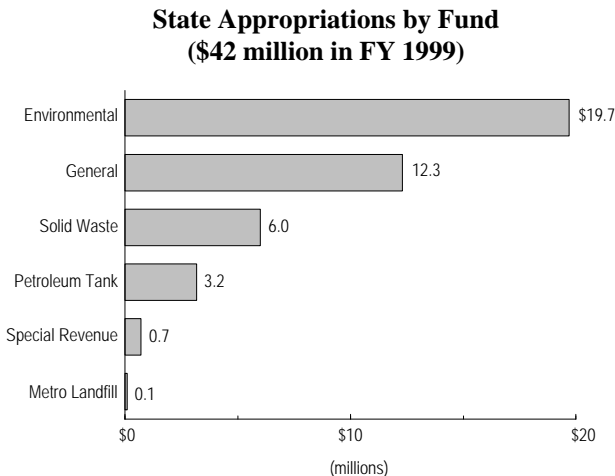


The **Reinvest in Minnesota (RIM)** program improves soil conservation and water quality and provides wildlife habitat. Since 1986, RIM has enrolled 81,809 acres in conservation easements at a cost of \$73.5 million.

A new **Conservation Reserve Enhancement Program (CREP)** is a federal partnership agreement to place 100,000 acres of Minnesota River Valley land under conservation easement at a potential cost of \$100 million (40% state, 60% federal).

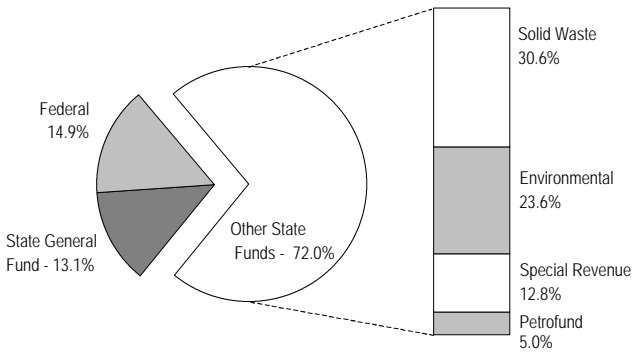
POLLUTION CONTROL

- Pollution Control Agency (PCA) responsibilities are divided between a commissioner, appointed by the governor, and a citizens' board, chaired by the commissioner.
- The PCA was established “to achieve a reasonable degree of purity of water, air, and land resources of the state consistent with the maximum enjoyment and use thereof.”
- The PCA recently reorganized as a result of a 1996 strategic planning initiative to improve the structure and performance of the agency. The new structure, introduced in July 1998, is designed to be a geographically based, multi-resource (air, water, land) approach to more effectively address environmental challenges, including diffuse non-point sources of pollution.



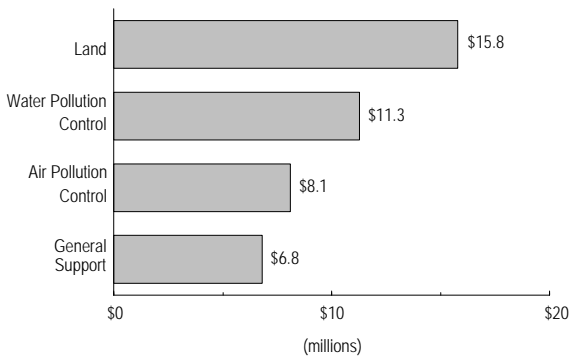
Source: Pollution Control Agency

PCA Revenue by Source (\$94 million in FY 1999)



Note: In FY 1999 the PCA did not receive any revenue from the Metro Landfill Contingency Action Trust Fund

PCA State Appropriations by Purpose (\$42 million in FY 1999)



Source: Pollution Control Agency

Other Environmental Protection Expenditures

Office of Environmental Assistance (OEA)

- Independent office which assists counties, local government units, businesses, and citizens of the state with waste prevention, resource conservation, and other solid waste management issues.
- FY 1999 budget approximately \$19.3 million.
- 87% of the OEA's budget comes from the general fund, 9% from the environmental fund, 2% from the federal government, 1% from the Legislative Commission on Minnesota Resources, and 1% from special revenues.

Department of Trade and Economic Development

- Provides cleanup grants to turn contaminated "brownfield" sites into developable land.
- FY 1998-1999 biennial appropriation \$19.4 million (includes \$12.4 million from petrofund for cleanup of petroleum contamination).

Department of Commerce

- Administers the Petroleum Tank Release Cleanup Program (Petrofund) with the PCA; Petrofund's money is raised by a 2-cent-per-gallon gas tax.
- Generally, reimburses up to 90% of cleanup costs for individuals who voluntarily elect to clean up petroleum-contaminated sites.
- FY 1999 appropriation \$1.1 million to the Department of Commerce and \$2.3 million to the PCA.

Department of Agriculture

- Administers the Agricultural Chemical Response and Reimbursement Account that reimburses costs of certain cleanup activities associated with agricultural chemical spills.
- The legislature does not make a specific appropriation to the Department of Agriculture for this program, but the department estimates program expenditures will be \$1.9 million in FY 1999.
- Money for this program is raised through fees on the sale of agricultural chemicals and surcharges on certain license applications.

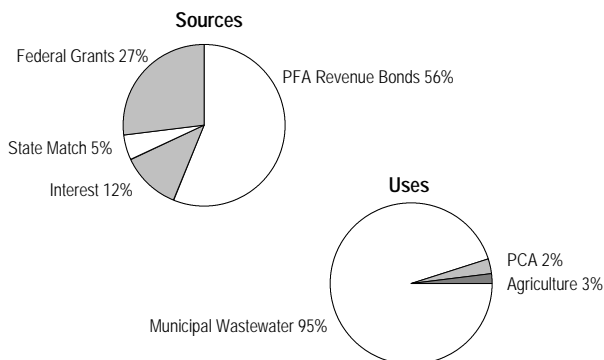
PUBLIC FACILITIES AUTHORITY

The Public Facilities Authority (PFA) unit of the Department of Trade and Economic Development provides low-interest loans and other assistance to local units of government for wastewater and drinking water projects. The PFA consists of the commissioners of trade and economic development (chair), finance, pollution control, agriculture, health, and transportation. Funded projects must be certified by the appropriate agency.

The Water Pollution Control Revolving Fund is the PFA's largest program. It provides long-term, low-interest loans for water pollution control projects, primarily wastewater treatment facilities, and funding for non-point source water pollution loan programs. Non-point source water pollution programs consist of:

- **Agriculture Best Management Practices Loan Program: \$40.0 million authorized.** Provides loans for rural water pollution control projects associated with agricultural production; administered by Department of Agriculture
- **Clean Water Partnership Loan Program: \$36.0 million authorized.** Addresses non-point source pollution affecting specific bodies of water; administered by PCA
- **Tourism Loan Program and the Small Cities Septic System Loan Program: \$4.0 million authorized.** Provides loans for septic system replacement

Water Pollution Control Revolving Fund (\$918.0 million in 1988-1998)



Other PFA Programs

- **Wastewater Infrastructure Program: \$39.8 million appropriated 1996-1998**

Makes supplemental assistance in the form of grants to financially needy communities for wastewater treatment projects. Grants are provided together with revolving fund loans or to match grants provided by USDA Rural Development.

- **Drinking Water Revolving Fund: \$13.4 million appropriated 1996-1998**

Matches federal funds on a \$1 to \$5 ratio. This state money will leverage \$67.2 million in federal money for loans to provide safe drinking water for communities.

- **Transportation Revolving Loan Fund: \$1.5 million appropriated in 1998**

Matches federal funds on a \$1 to \$4 ratio. This state money may leverage up to \$6 million in federal funds for loans to communities for transportation projects.

Other PFA programs finance individual on-site wastewater treatment systems facilities and make loans to replace once-through cooling systems with more environmentally sound cooling systems.